

## CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES 2005-06 BUDGET ACT HIGHLIGHTS

The highlights of the 2005-06 Budget Act for the Department of Child Support Services (DCSS) State Operations and Local Assistance administrative costs, and the forecast for Child Support Collections are provided below.

### SFY 2005-06 FUNDING SUMMARY (dollars in thousands)

ADMINISTRATIVE COSTS	BUDGET ACT
<b>TOTAL, CHILD SUPPORT PROGRAM COSTS</b>	<b>\$1,411,933</b>
General Fund	513,702
Federal Funds	592,740
Child Support Recovery Fund	295,368
Reimbursements / County Funds	10,123
 <b><u>STATE OPERATIONS</u></b>	
State Operations-DCSS Operations	\$ 51,479
State Operations-Locate/Intercept Contracts	<u>\$ 82,517</u>
<b>TOTAL, STATE OPERATIONS</b>	<b>\$ 133,996</b>
General Fund	43,053
Federal Funds	90,820
Reimbursements	123
 <b>AUTHORIZED POSITIONS</b>	 <b>515.1</b>
 <b><u>LOCAL ASSISTANCE</u></b>	
Basic Costs	\$870,086
Other Premises	12,059
Federal Penalty	218,000
CCSAS Project	<u>177,792</u>
<b>TOTAL, LOCAL ASSISTANCE</b>	<b>\$1,277,937</b>
General Fund	470,649
Federal Funds	501,920
Child Support Recovery Fund	295,368
Reimbursements /County Funds	10,000
 <b>CHILD SUPPORT COLLECTIONS</b>	
<b><u>TOTAL DISTRIBUTED COLLECTIONS</u></b>	<b>\$2,462,383</b>
Assistance Collections	706,242
Non Assistance Collections	1,756,141

### **STATE OPERATIONS – SFY 2005-06**

An increase of \$5.5 million State General Fund (SGF) and 168.5 positions to reflect the transfer of the Child Support Full Collection Program from the Franchise Tax Board to DCSS consistent with Chapter 806, Statutes of 2004 (AB 2358 Steinberg). The federal fund match continues to be reflected in the DCSS' budget.

### **LOCAL ASSISTANCE – SFY 2005-06**

A net non-SGF increase of \$31.8 million over the Governor's Budget, which comprise of:

- An increase of \$30.0 million (\$20 million federal funds, and \$10 million county funds) to the Local Child Support Agency Basic Administrative Costs. This is to fund rising county costs of doing business. There is no increase to SGF.
- An increase of \$1.8 million federal funds to the CCSAS Child Support Enforcement FTB component to reflect a deferral of the BP payment for the delay of San Bernardino LCSA conversion and the deferral of payments for the purchase of software licenses from SFY 2004-05 to SFY 2005-06.

### **CHILD SUPPORT COLLECTIONS AND REVENUE – SFY 2005-06**

A net increase of \$41.3 million (\$0.7 million SGF, and \$47.1 million payments to families) over the Governor's Budget in child support collections. The following are the significant changes:

- A net decrease of \$5.8 million (\$0.7 million SGF) to Child Support Assistance Collections, which includes \$7.4 million decrease due to the technical correction to the formula calculating the federal (-\$6.6 million) and county (-\$0.8 million) share of the Compromise of Arrears Program collections. It also includes a decrease in FTB NonTax collections of \$1.5 million (\$0.7 million SGF) due to FTB discontinuing the activities on sending demands for payments notices and wage withholdings effective July 2005, rather than September 2005.
- A net increase of \$47.1 million in Child Support Non-Assistance Collections, which includes a \$48.0 million increase in the projected Basic Collections as a result of updated trend analysis to the most recent 30 months of collection data. It also includes a decrease of \$3.6 million for FTB Non Tax collections and an increase of \$2.7 for the projection of Miscellaneous Collections.

The SFY 2005-06 projected child support collections represents an increase of approximately \$93.9 million or 4 percent over SFY 2004-05 projected collections.

### **NON IV-D CHILD SUPPORT COLLECTIONS – SFY 2005-06**

Presented for the first time is the estimated SFY 2005-06 Non IV-D Child Support Collections in the amount of \$346 million. The non IV-D child support collections are cases with court ordered wage assignments, which are currently paid directly to the family but are not served by the local child support agencies. These cases will be processed through the State Disbursement Unit once implemented.